



# HOUSE OF REPRESENTATIVES

HB 2697/SB 1528

bonus depreciation; budget reconciliation; 2016-2017.

Prime Sponsor: Representative Montenegro, LD 13/Senator Biggs, LD 12

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**DP** Committee on Appropriations

**DP** Caucus and COW

**X** As Transmitted to the Governor

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## **OVERVIEW**

HB 2697 increases the amount a taxpayer may deduct from Arizona gross income for bonus depreciation.

## **PROVISIONS**

1. Increases the bonus depreciation allowance that a taxpayer may deduct from Arizona gross income as follows:
  - a. From 10% to 55% of the federal allowance in tax year (TY) 2016.
  - b. From 55% to 100% of the federal allowance in TY 2017 and beyond.

*Sections 167(a) and 168(k) of the Internal Revenue Code allow for a one-year depreciation deduction of 50% for newly purchased property.*